

EXHIBIT 19

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In Re:

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Adv.Pro.No.
08-01789(BRL)

Debtor.

IRVING H. PICARD, Trustee for the
Liquidation of Bernard L. Madoff
Investment Securities LLC,

Plaintiff,

Adv.Pro.No.
09-1182(BRL)

v.

J. EZRA MERKIN, GABRIEL CAPITAL,
L.P., ARIEL FUND LTD., ASCOT
PARTNERS, L.P., GABRIEL CAPITAL
CORPORATION,

Defendants.

VIDEOTAPED DEPOSITION of JOSHUA L. NASH, as

taken by and before NANCY C. BENDISH, Certified

Court Reporter, RMR, CRR and Notary Public of the

States of New York and New Jersey, at the offices of

WEIL, GOTSHAL & MANGES, 767 Fifth Avenue, New York,

New York on Thursday, October 18, 2012, commencing

at 2:11 p.m.

Page 26	Page 28
<p>1 Q. Did you have any involvement in your 2 father's BLMIS investment? 3 MR. ALLERHAND: In Madoff? 4 MS. TRUONG: In Madoff. 5 MR. ALLERHAND: In the decision to 6 invest in Madoff. 7 A. No. 8 Q. Did you and your father ever talk 9 about his investment with Madoff? 10 A. Yes. 11 Q. What did you discuss? 12 MS. PRINC: Object to form. 13 A. He asked me if I could -- he asked me 14 if I could look at his statements and if I could 15 figure out how Mr. Madoff was making money 16 consistently. 17 Q. You said your father asked if you 18 could look at his statements. Do you mean his 19 account statements? 20 A. Correct. 21 Q. Did your father ask you to look at 22 any other documents? 23 A. No. 24 Q. Did your father ask you to look at 25 any trading tickets?</p>	<p>1 A. I don't recall. 2 Q. Based on your review of the account 3 statements, were you able to understand the strategy 4 that Mr. Madoff was using? 5 MS. PRINC: Object to form. 6 A. No. 7 Q. Did you discuss this with your 8 father? 9 A. Yes. 10 Q. What did you discuss? 11 A. We discussed how we didn't understand 12 how, by buying stocks, selling calls and buying 13 puts, one would have made money every month. 14 Q. Did you reach out to anyone at BLMIS 15 after reviewing the statements? 16 A. I didn't. 17 Q. Did your father? 18 A. He didn't reach out. 19 Q. Okay. What did he do? 20 A. He told Mr. Spring, who had 21 introduced him, that he wanted to get his money back 22 because he didn't understand how the money was being 23 made, thanked him for the introduction, but that he 24 was going to withdraw his account. 25 Q. And how did Mr. Spring react to this</p>
Page 27	Page 29
<p>1 A. Don't recall. 2 Q. Did you and your father discuss the 3 investment strategy that Mr. Madoff was employing? 4 MS. PRINC: Object to the form. 5 A. After looking at the tickets, yes. 6 We discussed what it appeared he was doing. 7 MR. ALLERHAND: You mean the 8 statements? 9 THE WITNESS: The statements. 10 Q. And what did you believe Mr. Madoff's 11 investing strategy was? 12 MS. PRINC: Object to form. 13 A. It wasn't clear. The statements 14 showed buying highly liquid stocks, selling call 15 options on those stocks, and buying put options on 16 those stocks. 17 Q. Are you familiar with the term 18 "split-strike strategy"? 19 MS. PRINC: Object to form. 20 A. Yeah, now I am, yes. 21 Q. Did you have an understanding of what 22 a split-strike strategy was at the time that you 23 were reviewing the account statements? 24 A. I had never heard the term then. 25 Q. When did you first hear of the term?</p>	<p>1 discussion? 2 MS. PRINC: Object to form. 3 A. I don't recollect. 4 Q. Did you ever visit Mr. Madoff at his 5 office after reviewing the account statements? 6 A. Yes. 7 Q. Did you go with your father? 8 A. Yes. 9 Q. How many times did you visit 10 Mr. Madoff at his office? 11 A. Once, I believe. 12 Q. Do you know the approximate date of 13 that meeting? 14 A. On or around the time that my father 15 withdrew, closed the account. So I would guess 16 eight months after this was signed, but that's an 17 approximation. 18 Q. Do you know how that meeting was set 19 up? 20 A. Yes. 21 Q. How? 22 A. Mr. Spring told my father that if he 23 was willing to come over, Mr. Madoff would like to 24 explain how he made his money. 25 Q. Did you ask Mr. Madoff how he was</p>

<p style="text-align: right;">Page 30</p> <p>1 able to make the money?</p> <p>2 MR. ALLERHAND: Why don't you</p> <p>3 describe what happened at the meeting, rather</p> <p>4 than...</p> <p>5 A. My father and I went over to the</p> <p>6 Lipstick Building, met with Mr. Madoff, Mr. Madoff</p> <p>7 discussed his money making -- excuse me, market</p> <p>8 making activities, as well as discussed some option</p> <p>9 activities. And that was the substance of him</p> <p>10 discussing his investment approach.</p> <p>11 Q. Did Mr. Madoff describe to you his</p> <p>12 investment strategy?</p> <p>13 MS. PRINC: Object to form.</p> <p>14 A. Vaguely. He said he had lots of</p> <p>15 orders coming through, had a view and a look at the</p> <p>16 market through a lot of orders that he got from</p> <p>17 brokers, both in stocks and options and, therefore,</p> <p>18 he was able to put these positions on.</p> <p>19 Q. Were you satisfied with his</p> <p>20 explanation?</p> <p>21 MS. PRINC: Object to form.</p> <p>22 Q. Let me rephrase. Were you</p> <p>23 comfortable with his explanation?</p> <p>24 A. No.</p> <p>25 MS. PRINC: Object to form.</p>	<p style="text-align: right;">Page 32</p> <p>1 about the meeting that you had with your father and</p> <p>2 Mr. Madoff that we haven't already covered?</p> <p>3 A. We had some discussion about the</p> <p>4 accounting firm. My father in particular raised the</p> <p>5 issue that why didn't Mr. Madoff have what at the</p> <p>6 time was the Big Eight, a Big Eight accounting firm</p> <p>7 for customer money.</p> <p>8 Q. What is the Big Eight accounting firm</p> <p>9 for customer money?</p> <p>10 A. Well, there used to be. Now it's</p> <p>11 what, the Big Four, the Big Three? There used to</p> <p>12 be --</p> <p>13 MR. ALLERHAND: The Final Four.</p> <p>14 A. Final Four. There used to be eight</p> <p>15 accounting firms that were regarded as the top major</p> <p>16 firms, the Deloitte, Touche Ross. Many of these</p> <p>17 have merged. Alan Andersen.</p> <p>18 MR. ALLERHAND: Arthur Andersen.</p> <p>19 A. Arthur Andersen. So that's what he</p> <p>20 was referring to.</p> <p>21 Q. Did your father expect that</p> <p>22 Mr. Madoff would use one of the Big Eight accounting</p> <p>23 firms?</p> <p>24 MS. PRINC: Object to form.</p> <p>25 A. We used Deloitte and most of the</p>
<p style="text-align: right;">Page 31</p> <p>1 Q. Why were you not comfortable with his</p> <p>2 explanation?</p> <p>3 A. It wasn't, it wasn't clear to us how</p> <p>4 he made the money. It also wasn't clear to us how</p> <p>5 all these trades translated into individual</p> <p>6 accounts.</p> <p>7 Q. Did you ask Mr. Madoff how all the</p> <p>8 trades translated into individual accounts?</p> <p>9 A. Yes. Either I asked or my father</p> <p>10 asked. I don't recall which of us asked.</p> <p>11 Q. What was Mr. Madoff's response?</p> <p>12 A. Something to the effect of, I</p> <p>13 wouldn't worry about that because it all balances at</p> <p>14 the end of the year. Balances or evens out,</p> <p>15 something to that, I don't remember the exact words,</p> <p>16 but that was the gist of it.</p> <p>17 Q. What was your reaction to that</p> <p>18 explanation by Mr. Madoff?</p> <p>19 MS. PRINC: Object to form.</p> <p>20 A. I don't know what my reaction -- I</p> <p>21 don't know what the specific reaction was, but from</p> <p>22 a business that was used to a formula of how one</p> <p>23 allocated trades, it wasn't -- didn't seem a</p> <p>24 satisfactory answer.</p> <p>25 Q. Is there anything else you recall</p>	<p style="text-align: right;">Page 33</p> <p>1 partnerships we invested in used major accounting</p> <p>2 firms.</p> <p>3 Q. And why is that?</p> <p>4 A. Whether it was true or not, it gave a</p> <p>5 certain sense of satisfaction and comfort to</p> <p>6 investors.</p> <p>7 Q. When did you find out about</p> <p>8 Mr. Madoff's accounting firm?</p> <p>9 A. When my father asked the question --</p> <p>10 Q. At the meeting?</p> <p>11 A. -- at the meeting.</p> <p>12 Q. Do you know who that accounting firm</p> <p>13 was?</p> <p>14 A. It had two or three names in it that</p> <p>15 I didn't recognize.</p> <p>16 Q. Were you concerned that Mr. Madoff</p> <p>17 was not using one of the Big Eight accounting firms?</p> <p>18 MS. PRINC: Object to form.</p> <p>19 A. Yes.</p> <p>20 Q. Why were you concerned?</p> <p>21 A. Because most other firms used Big</p> <p>22 Eight accounting firms and they were firms that one</p> <p>23 knew about. Didn't mean they couldn't make</p> <p>24 mistakes, but they were large, independent,</p> <p>25 reputable firms.</p>